

L - Transportation Cabinet

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CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	3,093,500	3,093,500	3,093,500	5,178,200	4,528,200	5,178,200	8,535,200	7,885,200	5,620,200
Restricted Funds	486,628,700	486,628,700	486,628,700	102,293,400	93,079,300	324,079,300	98,266,600	92,953,300	92,953,300
Federal Funds	734,411,700	734,411,700	734,411,700	725,400,800	725,400,800	725,400,800	757,575,700	757,575,700	757,575,700
Road Fund	1,229,988,200	1,229,988,200	1,229,988,200	1,229,717,900	1,215,142,900	1,229,057,900	1,329,921,900	1,307,776,900	1,323,196,900
Highway Bond	395,755,300	395,755,300	395,755,300	550,000,000	110,000,000	110,000,000			
Regular Total Funds	2,849,877,400	2,849,877,400	2,849,877,400	2,612,590,300	2,148,151,200	2,393,716,200	2,194,299,400	2,166,191,100	2,179,346,100
Use of Continuing	3,356,200	3,356,200	3,356,200						
TOTAL FUNDS	2,853,233,600	2,853,233,600	2,853,233,600	2,612,590,300	2,148,151,200	2,393,716,200	2,194,299,400	2,166,191,100	2,179,346,100
II. EXPENDITURE CATEGORY									
Personnel Costs	418,049,700	418,049,700	418,049,700	439,012,000	426,683,000	438,194,400	448,052,900	436,170,700	447,162,900
Operating Expenses	226,824,900	226,824,900	226,824,900	238,005,700	237,705,700	238,005,700	256,371,200	256,071,200	256,371,200
Grants, Loans, Benefits	252,142,700	252,142,700	252,142,700	196,591,300	211,908,000	212,008,000	210,901,200	223,572,100	223,672,100
Debt Service	238,525,400	238,525,400	238,525,400	222,239,200	202,792,200	215,203,000	235,342,400	196,449,400	221,713,000
Capital Outlay	12,955,300	12,955,300	12,955,300	4,315,000	4,315,000	4,315,000	4,315,000	4,315,000	4,315,000
Construction	1,704,735,600	1,704,735,600	1,704,735,600	1,512,427,100	1,064,747,300	1,285,990,100	1,039,316,700	1,049,612,700	1,026,111,900
TOTAL EXPENDITURES	2,853,233,600	2,853,233,600	2,853,233,600	2,612,590,300	2,148,151,200	2,393,716,200	2,194,299,400	2,166,191,100	2,179,346,100
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,093,500	3,093,500	3,093,500	5,178,200	4,528,200	5,178,200	5,178,200	4,528,200	5,178,200
Restricted Funds	448,668,300	448,668,300	448,668,300	90,099,500	91,246,200	90,099,500	91,072,100	92,310,300	91,072,100
Federal Funds	730,161,300	730,161,300	730,161,300	711,349,500	711,349,500	711,349,500	709,987,000	709,987,000	709,987,000
Road Fund	1,229,890,100	1,229,890,100	1,229,890,100	1,157,056,800	1,160,988,300	1,165,938,600	1,189,169,300	1,211,012,900	1,210,762,900
Highway Bond	395,755,300	395,755,300	395,755,300						
Regular Total Funds	2,807,568,500	2,807,568,500	2,807,568,500	1,963,684,000	1,968,112,200	1,972,565,800	1,995,406,600	2,017,838,400	2,017,000,200
Use of Continuing	3,356,200	3,356,200	3,356,200						
TOTAL BASE LEVEL	2,810,924,700	2,810,924,700	2,810,924,700	1,963,684,000	1,968,112,200	1,972,565,800	1,995,406,600	2,017,838,400	2,017,000,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund							3,357,000	3,357,000	442,000
Restricted Funds	37,960,400	37,960,400	37,960,400	12,193,900	1,833,100	233,979,800	7,194,500	643,000	1,881,200
Federal Funds	4,250,400	4,250,400	4,250,400	14,051,300	14,051,300	14,051,300	47,588,700	47,588,700	47,588,700
Road Fund	98,100	98,100	98,100	72,661,100	54,154,600	63,119,300	140,752,600	96,764,000	112,434,000
Highway Bond				550,000,000	110,000,000	110,000,000			
TOTAL ADDITIONAL	42,308,900	42,308,900	42,308,900	648,906,300	180,039,000	421,150,400	198,892,800	148,352,700	162,345,900

CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Road Fund				27,192,000	17,392,000	17,992,000	7,280,000	4,150,000	4,150,000
Bond Funds				25,000,000	25,000,000	35,000,000			
Investment Income				500,000	500,000	500,000	500,000	500,000	500,000
TOTAL CAPITAL				52,692,000	42,892,000	53,492,000	7,780,000	4,650,000	4,650,000

**CONFERENCE BUDGET REPORT
2008 REGULAR SESSION OF THE GENERAL ASSEMBLY
ROAD FUND SUMMARY**

Governmental Branch: Executive
Cabinet/Function: Transportation

Agency: Cabinet Summary
Unit:

	FY 2007-2008			FY 2008-2009			FY 2009-2010		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<u>RESOURCES</u>									
Beginning Undesignated Balance	-	-	-	-	-	-	-	-	-
Revenue Receipts/Estimates	1,282,801,400	1,282,801,400	1,282,801,400	1,324,806,400	1,324,806,400	1,324,806,400	1,405,103,400	1,405,103,400	1,405,103,400
Revenue Reduction/Motorcycle Education	-	-	-	-	-	-	-	-	-
Previous Year-End Surplus	21,163,300	21,163,300	21,163,300	-	-	-	-	-	-
Fund Transfers	-	-	-	-	(5,150,000)	-	-	(3,050,000)	-
Non-Budgetary Transfers	-	-	-	-	-	-	-	-	-
Non-Budgetary Receipts to Surplus	-	-	-	-	-	-	-	-	-
TOTAL RESOURCES	1,303,964,700	1,303,964,700	1,303,964,700	1,324,806,400	1,319,656,400	1,324,806,400	1,405,103,400	1,402,053,400	1,405,103,400
<u>APPROPRIATIONS/EXPENDITURES</u>									
TRANSPORTATION CABINET									
General Administration & Support	78,887,600	78,887,600	78,887,600	74,390,100	71,361,500	74,390,100	74,769,900	73,036,900	74,769,900
Aviation	4,000,000	4,000,000	4,000,000	3,650,000	11,414,100	11,414,100	3,650,000	11,313,300	11,313,300
Revenue Sharing	265,848,100	265,848,100	265,848,100	266,207,000	287,698,900	287,698,900	296,587,000	318,070,100	318,070,100
Highways	681,874,600	681,874,600	681,874,600	695,596,000	669,087,800	680,624,200	753,496,300	744,187,500	755,167,500
Vehicle Regulation	18,234,700	18,234,700	18,234,700	19,262,800	26,417,600	26,417,600	20,622,700	23,920,100	27,277,100
Debt Service	181,143,200	181,143,200	181,143,200	170,612,000	148,513,000	148,513,000	180,796,000	136,599,000	136,599,000
Public Transportation	-	-	-	-	650,000	-	-	650,000	-
Capital Budget	6,795,000	6,795,000	6,795,000	27,192,000	17,392,000	17,992,000	7,280,000	4,150,000	4,150,000
TOTAL-TRANSPORTATION	1,236,783,200	1,236,783,200	1,236,783,200	1,256,909,900	1,232,534,900	1,247,049,900	1,337,201,900	1,311,926,900	1,327,346,900
DEPT. OF TREASURY	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
JUSTICE CABINET									
Kentucky State Police	50,000,000	50,000,000	50,000,000	50,000,000	70,000,000	60,000,000	50,000,000	73,000,000	60,000,000
Motor Vehicle Enforcement	13,881,500	13,881,500	13,881,500	13,881,500	13,881,500	13,881,500	13,881,500	13,881,500	13,881,500
FINANCE & ADMINISTRATION CABINET									
Debt Service	-	-	-	-	-	-	-	-	-
Department of Administration	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Department of Revenue	2,000,000	2,000,000	2,000,000	2,325,000	2,000,000	2,325,000	2,325,000	2,000,000	2,325,000
Comm. Office of Technology	-	-	-	-	-	-	-	-	-
HOMELAND SECURITY	350,000	350,000	350,000	250,000	250,000	250,000	250,000	250,000	250,000
Environmental and Public Protection	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
COMMERCE CABINET									
Artisan's Center	-	-	-	350,000	-	350,000	350,000	-	350,000
Kentucky Heritage Council	-	-	-	140,000	40,000	-	145,000	45,000	-
TOTAL APPROP./EXPENDITURES	1,303,964,700	1,303,964,700	1,303,964,700	1,324,806,400	1,319,656,400	1,324,806,400	1,405,103,400	1,402,053,400	1,405,103,400

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L - Transportation Cabinet**Operating Budget****General Administration and Support**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	28,000	28,000	28,000	48,900	48,900	48,900	22,000	22,000	22,000
Federal Funds	9,300,000	9,300,000	9,300,000	7,808,300	7,808,300	7,808,300	5,966,500	5,966,500	5,966,500
Road Fund	78,887,600	78,887,600	78,887,600	74,390,100	71,361,500	74,390,100	74,769,900	73,036,900	74,769,900
Regular Total Funds	88,215,600	88,215,600	88,215,600	82,247,300	79,218,700	82,247,300	80,758,400	79,025,400	80,758,400
Use of Continuing									
TOTAL FUNDS	88,215,600	88,215,600	88,215,600	82,247,300	79,218,700	82,247,300	80,758,400	79,025,400	80,758,400

II. EXPENDITURE CATEGORY

Personnel Costs	37,043,200	37,043,200	37,043,200	34,914,900	32,286,300	34,914,900	35,007,300	33,674,300	35,007,300
Operating Expenses	35,708,700	35,708,700	35,708,700	33,877,600	33,577,600	33,877,600	34,177,600	33,877,600	34,177,600
Grants, Loans, Benefits	7,650,600	7,650,600	7,650,600	6,106,500	6,006,500	6,106,500	4,240,600	4,140,600	4,240,600
Debt Service	7,292,500	7,292,500	7,292,500	7,303,300	7,303,300	7,303,300	7,287,900	7,287,900	7,287,900
Capital Outlay	347,800	347,800	347,800	15,000	15,000	15,000	15,000	15,000	15,000
Construction	172,800	172,800	172,800	30,000	30,000	30,000	30,000	30,000	30,000
TOTAL EXPENDITURES	88,215,600	88,215,600	88,215,600	82,247,300	79,218,700	82,247,300	80,758,400	79,025,400	80,758,400

III. BASE LEVEL BUDGET BY FUND SOURCE

Restricted Funds	28,000	28,000	28,000	48,900	48,900	48,900	22,000	22,000	22,000
Federal Funds	9,300,000	9,300,000	9,300,000	7,808,300	7,808,300	7,808,300	5,966,500	5,966,500	5,966,500
Road Fund	78,887,600	78,887,600	78,887,600	73,016,200	71,216,200	73,016,200	73,291,600	72,891,600	73,291,600
Regular Total Funds	88,215,600	88,215,600	88,215,600	80,873,400	79,073,400	80,873,400	79,280,100	78,880,100	79,280,100
Use of Continuing									
TOTAL BASE LEVEL	88,215,600	88,215,600	88,215,600	80,873,400	79,073,400	80,873,400	79,280,100	78,880,100	79,280,100

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

Road Fund				1,373,900	145,300	1,373,900	1,478,300	145,300	1,478,300
TOTAL ADDITIONAL				1,373,900	145,300	1,373,900	1,478,300	145,300	1,478,300

V. ADDITIONAL BUDGET ITEMS**1 GB Personnel Vacancies**

ABR35K00001 Provides funds to restore 23 full-time and 15 other vacant positions in Administration and Transportation Safety.

Road Fund				1,373,900	145,300	1,373,900	1,478,300	145,300	1,478,300
Project Total				1,373,900	145,300	1,373,900	1,478,300	145,300	1,478,300
TOTAL ADDITIONAL				1,373,900	145,300	1,373,900	1,478,300	145,300	1,478,300

GENERAL ADMINISTRATION AND SUPPORT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2008-2010 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program Plan for fiscal year 2008-2009 through fiscal year 2013-2014 as identified by the 2008 General Assembly. This document shall mirror in data type and format the fiscal year 2006-2012 Recommended Six-Year Highway Plan as submitted to the 2006 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2008 Regular Session of the General Assembly.

The Secretary of the Transportation Cabinet is further directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium, including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission."

"Debt Service: Included in the above Road Fund appropriation is \$7,303,300 in fiscal year 2008-2009 and \$7,287,900 in fiscal year 2009-2010 for debt service on previously authorized bonds for the new Transportation Cabinet office building and parking structure."

GENERAL ADMINISTRATION AND SUPPORT

"Adopt-A-Highway Litter Program: The Transportation Cabinet and the Environmental and Public Protection Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House increases Road Fund support totaling \$1,800,000 in fiscal year 2008-2009 and \$400,000 in fiscal year 2009-2010 to restore base funding.

The House adds Part I, Operating Budget, language provision as follows:

"SAFE Patrol Program: The Transportation Cabinet shall continue the SAFE Patrol Program at the current service level. The primary mission of the cabinet's SAFE Patrol shall be motorist assistance. The SAFE Patrol shall be restricted to providing only assistance services on interstates, parkways, and other limited access-highways."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides Road Fund Support totaling \$71,361,500 in fiscal year 2008-2009 and \$73,036,900 in fiscal year 2009-2010 for the Part I, Operating Budget.

The Senate provides Road Fund Support totaling \$17,392,000 in fiscal year 2008-2009 and \$4,150,000 in fiscal year 2009-2010 for the Part II, Capital Budget.

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference provides additional Road Fund support totaling \$1,800,000 in fiscal year 2008-2009 and \$400,000 in fiscal year 2009-

GENERAL ADMINISTRATION AND SUPPORT

2010 to restore base funding.

The Conference adds Part I, Operating Budget, language provision as follows:

"SAFE Patrol Program: The Transportation Cabinet shall continue the SAFE Patrol Program at the current service level. The primary mission of the cabinet's SAFE Patrol shall be motorist assistance. The SAFE Patrol shall be restricted to providing only assistance services on interstates, parkways, and other limited access-highways."

The Conference provides Road Fund Support totaling \$17,992,000 in fiscal year 2008-2009 and \$4,150,000 in fiscal year 2009-2010 for the Part II, Capital Budget.

The Conference amends Part II, Capital Budget, by adding \$600,000 in Road Fund appropriation in fiscal year 2008-2009 for 2008 Ryder Cup Parking.

The Conference amends Part II, Capital Budget, by adding \$10,000,000 in Bond Fund appropriation in fiscal year 2008-2009 for Wetland Restoration.

The Conference amends the State Executive Branch Budget Bill, Part II, Capital Budget, by adding the following language provisions:

"Payments for Wetland Restoration: Obligations due from the Department of Highways from state funds for fees to the fund established by KRS 150.225(3) shall be deposited into an Other Special Revenue Fund established with the Transportation Cabinet. Payments in satisfaction of these obligations shall be made from the capital project appropriation in Part II, K., 1., 017. of this Act."

"Kentucky Horse Park Roads and Pedways - FEI Games: Included in the above Road Fund appropriation is the amount necessary to complete roads, parking infrastructure, and pedways for the 2010 FEI World Equestrian Championship Games."

"2008 Ryder Cup Parking: Included in the above Road Fund appropriation is the amount necessary to complete parking infrastructure improvements at the Kentucky Fair and Exposition Center pursuant to the 2008 Ryder Cup Trade Agreement."

L - Transportation Cabinet**Capital Budget****General Administration and Support**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Road Fund				27,192,000	17,392,000	17,992,000	7,280,000	4,150,000	4,150,000
Bond Funds				25,000,000	25,000,000	35,000,000			
Investment Income				500,000	500,000	500,000	500,000	500,000	500,000
TOTAL CAPITAL				52,692,000	42,892,000	53,492,000	7,780,000	4,650,000	4,650,000

II. CAPITAL PROJECTS**1 Replace Automated Vehicle Information System (AVIS)**

PRJ35K01697

Bond Funds	25,000,000	25,000,000	25,000,000
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Project Total	25,000,000	25,000,000	25,000,000
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2 Kentucky Horse Park Roads - FEI Games

PRJ35K05001

Road Fund	10,300,000	10,300,000	10,300,000
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Project Total	10,300,000	10,300,000	10,300,000
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3 Bluegrass Airport Runway

PRJ35K05000

Road Fund	9,000,000		
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Project Total	9,000,000		
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4 Road Maintenance Parks

PRJ35K01693

Road Fund	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
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Project Total	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
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5 Repair Loadometer and Rest Areas

PRJ35K01692

Road Fund	900,000	900,000	900,000	600,000	600,000	600,000
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Project Total	900,000	900,000	900,000	600,000	600,000	600,000
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6 Purchase TRNS*PORT Upgrade

PRJ35K01699

Road Fund	1,300,000	1,300,000	1,300,000
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Project Total	1,300,000	1,300,000	1,300,000
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L - Transportation Cabinet**Capital Budget****General Administration and Support**

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
7	Building Renovations and Emergency Repairs									
PRJ35K01688										
Road Fund					600,000	600,000	600,000	600,000	600,000	600,000
Project Total					600,000	600,000	600,000	600,000	600,000	600,000
8	Various Environmental Compliance									
PRJ35K01694										
Road Fund					500,000	500,000	500,000	500,000	500,000	500,000
Project Total					500,000	500,000	500,000	500,000	500,000	500,000
9	Aircraft Maintenance Pool - 2008-2010									
PRJ35K01372										
Investment Income					500,000	500,000	500,000	500,000	500,000	500,000
Project Total					500,000	500,000	500,000	500,000	500,000	500,000
10	Construct Henderson Maintenance Facility and Salt Storage Structure									
PRJ35K01684										
Road Fund								960,000		
Project Total								960,000		
11	Construct Crittenden County Maintenance Facility									
PRJ35K01686										
Road Fund								910,000		
Project Total								910,000		
12	Construct Nicholas Maintenance Facility and Salt Storage Structure									
PRJ35K01683										
Road Fund								910,000		
Project Total								910,000		
13	HVAC Maintenance and Repairs									
PRJ35K01696										
Road Fund					400,000	400,000	400,000	400,000	400,000	400,000
Project Total					400,000	400,000	400,000	400,000	400,000	400,000
14	Purchase Bridge Snooper									
PRJ35K01705										
Road Fund					500,000	500,000	500,000			
Project Total					500,000	500,000	500,000			

L - Transportation Cabinet**Capital Budget****General Administration and Support**

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
15	Construct Various Maintenance Facilities - Secondary Structures									
PRJ35K01695										
Road Fund					250,000			250,000		
Project Total					250,000			250,000		
16	Replace Overhead Doors and Emergency Repairs									
PRJ35K01689										
Road Fund					200,000	200,000	200,000	200,000	200,000	200,000
Project Total					200,000	200,000	200,000	200,000	200,000	200,000
17	Painting and Roof Repair or Replacement									
PRJ35K01690										
Road Fund					200,000	200,000	200,000	200,000	200,000	200,000
Project Total					200,000	200,000	200,000	200,000	200,000	200,000
18	Purchase One Track Mounted Core Drill									
PRJ35K01704										
Road Fund					375,000	375,000	375,000			
Project Total					375,000	375,000	375,000			
19	Purchase GPS Surveying Equipment									
PRJ35K01707										
Road Fund					317,000	317,000	317,000			
Project Total					317,000	317,000	317,000			
20	Repair Salt Storage Structures									
PRJ35K01687										
Road Fund					150,000	150,000	150,000	150,000	150,000	150,000
Project Total					150,000	150,000	150,000	150,000	150,000	150,000
21	Construct Resident Engineers Buildings - Rowan and Carter									
PRJ35K01703										
Road Fund					250,000					
Project Total					250,000					
22	Conduct Paving and Landscaping									
PRJ35K01691										
Road Fund					100,000			100,000		
Project Total					100,000			100,000		

CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

General Administration and Support

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
23	Energy Efficient Evaluations and Upgrades									
PRJ35K01371										
Road Fund					200,000					
Project Total					200,000					
24	Purchase GPS Virtual Reference System									
PRJ35K01698										
Road Fund					150,000	150,000	150,000			
Project Total					150,000	150,000	150,000			
25	2008 Ryder Cup Parking									
PRJ35K05003										
Road Fund							600,000			
Project Total							600,000			
26	Wetland Restoration									
PRJ35K05005										
Bond Funds							10,000,000			
Project Total							10,000,000			
TOTAL CAPITAL					52,692,000	42,892,000	53,492,000	7,780,000	4,650,000	4,650,000

CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Aviation

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	840,100	840,100	840,100						
Restricted Funds	5,603,300	5,603,300	5,603,300	5,105,900	3,691,800	3,691,800	5,036,800	3,723,500	3,723,500
Federal Funds	399,400	399,400	399,400	15,000	15,000	15,000	15,000	15,000	15,000
Road Fund	4,000,000	4,000,000	4,000,000	3,650,000	11,414,100	11,414,100	3,650,000	11,313,300	11,313,300
Highway Bond					60,000,000	60,000,000			
Regular Total Funds	10,842,800	10,842,800	10,842,800	8,770,900	75,120,900	75,120,900	8,701,800	15,051,800	15,051,800
Use of Continuing									
TOTAL FUNDS	10,842,800	10,842,800	10,842,800	8,770,900	75,120,900	75,120,900	8,701,800	15,051,800	15,051,800
II. EXPENDITURE CATEGORY									
Personnel Costs	2,399,200	2,399,200	2,399,200	2,233,500	2,162,800	2,162,800	2,310,200	2,233,300	2,233,300
Operating Expenses	1,784,200	1,784,200	1,784,200	1,769,800	1,769,800	1,769,800	1,784,800	1,784,800	1,784,800
Grants, Loans, Benefits	6,275,000	6,275,000	6,275,000	4,767,600	8,536,300	8,536,300	4,606,800	5,729,700	5,729,700
Debt Service					2,652,000	2,652,000		5,304,000	5,304,000
Construction	384,400	384,400	384,400		60,000,000	60,000,000			
TOTAL EXPENDITURES	10,842,800	10,842,800	10,842,800	8,770,900	75,120,900	75,120,900	8,701,800	15,051,800	15,051,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	840,100	840,100	840,100						
Restricted Funds	5,603,300	5,603,300	5,603,300	3,691,800	3,691,800	3,691,800	3,723,500	3,723,500	3,723,500
Federal Funds	399,400	399,400	399,400	15,000	15,000	15,000	15,000	15,000	15,000
Road Fund	4,000,000	4,000,000	4,000,000	3,579,300	3,579,300	3,579,300	3,573,100	3,573,100	3,573,100
Regular Total Funds	10,842,800	10,842,800	10,842,800	7,286,100	7,286,100	7,286,100	7,311,600	7,311,600	7,311,600
Use of Continuing									
TOTAL BASE LEVEL	10,842,800	10,842,800	10,842,800	7,286,100	7,286,100	7,286,100	7,311,600	7,311,600	7,311,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				1,414,100			1,313,300		
Road Fund				70,700	7,834,800	7,834,800	76,900	7,740,200	7,740,200
Highway Bond					60,000,000	60,000,000			
TOTAL ADDITIONAL				1,484,800	67,834,800	67,834,800	1,390,200	7,740,200	7,740,200
V. ADDITIONAL BUDGET ITEMS									
1 GB Aviation Personnel Vacancies									
ABR35B00003 Provides funds to restore 1 vacant position in the Capital City Airport Division.									
Road Fund				70,700			76,900		
Project Total				70,700			76,900		

L - Transportation Cabinet**Operating Budget**

Aviation

			Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
			House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
2	GB	Aviation Economic Development Projects									
ABR35B00007			Provides funds for the development, rehabilitation, and maintenance of public use aviation facilities.								
Restricted Funds			1,414,100						1,313,300		
Road Fund						5,182,800			2,436,200		
Project Total			1,414,100			5,182,800			1,313,300		
3	NEW	Debt Service - Economic Development Road Revenue Bonds for Aviation									
ABR35B00010			Provide debt service for a \$60 million bond issue for implementation of projects in the Six-Year Aviation Plan.								
Road Fund						2,652,000			5,304,000		
Project Total						2,652,000			5,304,000		
4	NEW	Economic Development Road Revenue Bonds - Aviation									
ABR35B00011			Provide appropriation for a \$60 million bond issue for Aviation projects.								
Highway Bond						60,000,000					
Project Total						60,000,000					
TOTAL ADDITIONAL			1,484,800			67,834,800			1,390,200		
TRANSFERS TO THE GENERAL FUND											
Aviation											
Agency Revenue Fund			2,300,000	2,300,000	2,300,000	3,468,000	4,882,100	4,882,100	3,468,000	4,781,300	4,781,300
(KRS 183.525(4))											
Agency Revenue Fund			100,000	100,000	100,000						
TOTAL			2,400,000	2,400,000	2,400,000	3,468,000	4,882,100	4,882,100	3,468,000	4,781,300	4,781,300

AVIATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Aviation, Restricted Funds of \$2,400,000 in fiscal year 2007-2008, \$3,468,000 in fiscal year 2008-2009, and \$3,468,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Operational Costs: Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year."

"Use of Road Fund Resources: The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriation for the Department of Aviation, including but not limited to providing the above authorized financial aid to governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21)."

"Aviation Plan Project Report: The Secretary of the Transportation Cabinet is directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity relating to all aviation projects with open activity conducted by the Transportation Cabinet during the biennium, including the year each project phase was enacted in a Six-Year Aviation Plan. The Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission."

AVIATION

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House reduces General Fund support totaling \$650,000 in each fiscal year for transfer to replace base reduction in Public Transportation.

The House increases Road Fund support totaling \$650,000 in each year for replacement of General Fund transferred to Public Transportation.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the State Executive/Branch Budget Bill, Part I, Operating Budget by removing the language concerning the **"Use of Road Fund Resources."**

The Senate adds Part I, Operating Budget, Road Fund Support totaling \$5,182,800 in fiscal year 2008-2009 and \$2,436,200 in fiscal year 2009-2010 for Aviation Economic Development Grants.

The Senate adds Part I, Operating Budget, Highway Bond Support totaling \$60,000,000 in fiscal year 2008-2009 for the funding of the Cabinet's Six- Year Aviation Plan.

The Senate adds Part I, Operating Language Provisions as follows:

"Six-Year Aviation Plan: The Transportation Cabinet's Aviation Development Program shall prioritize and fund airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2008-2014 Six-Year Aviation Plan."

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$2,652,000 in fiscal year 2008-2009 and \$5,304,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments relating to projects financed by \$60,000,000 in Economic Development Road Revenue Bonds."

The Senate amends Part V, Funds Transfer, to include an additional Restricted Fund transfer of \$1,414,100 in fiscal year 2008-2009 and \$1,313,300 in fiscal year 2009-2010 to the General Fund.

AVIATION

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference transfers General Fund support totaling \$650,000 in each fiscal year to replace a base reduction in Public Transportation.

The Conference provides additional Road Fund support totaling \$8,414,100 in fiscal year 2008-2009 and \$8,313,300 in fiscal year 2009-2010.

The Conference provides Highway Bond Support totaling \$60,000,000 in fiscal year 2008-2009 for the funding of the Cabinet's Six-Year Aviation Plan.

The Conference amends the State Executive/Branch Budget Bill, Part I, Operating Budget by removing the language concerning the **"Use of Road Fund Resources."**

The Conference adds Part I, Operating Budget, language provisions as follows:

"Six-Year Aviation Plan: The Transportation Cabinet's Aviation Development Program shall prioritize and fund airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2008-2014 Six-Year Aviation Plan."

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$2,652,000 in fiscal year 2008-2009 and \$5,304,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments relating to projects financed by \$60,000,000 in Economic Development Road Revenue Bonds."

The Conference amends Part V, Funds Transfer, to include an additional Restricted Fund transfer of \$1,414,100 in fiscal year 2008-2009 and \$1,313,300 in fiscal year 2009-2010 to the General Fund.

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CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Debt Service

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Road Fund	181,143,200	181,143,200	181,143,200	170,612,000	148,513,000	148,513,000	180,796,000	136,599,000	136,599,000
Regular Total Funds	181,143,200	181,143,200	181,143,200	170,612,000	148,513,000	148,513,000	180,796,000	136,599,000	136,599,000
Use of Continuing									
TOTAL FUNDS	181,143,200	181,143,200	181,143,200	170,612,000	148,513,000	148,513,000	180,796,000	136,599,000	136,599,000
II. EXPENDITURE CATEGORY									
Debt Service	181,143,200	181,143,200	181,143,200	170,612,000	148,513,000	148,513,000	180,796,000	136,599,000	136,599,000
TOTAL EXPENDITURES	181,143,200	181,143,200	181,143,200	170,612,000	148,513,000	148,513,000	180,796,000	136,599,000	136,599,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
Road Fund	181,143,200	181,143,200	181,143,200	148,513,000	148,513,000	148,513,000	134,388,000	134,388,000	134,388,000
Regular Total Funds	181,143,200	181,143,200	181,143,200	148,513,000	148,513,000	148,513,000	134,388,000	134,388,000	134,388,000
Use of Continuing									
TOTAL BASE LEVEL	181,143,200	181,143,200	181,143,200	148,513,000	148,513,000	148,513,000	134,388,000	134,388,000	134,388,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund				22,099,000			46,408,000	2,211,000	2,211,000
TOTAL ADDITIONAL				22,099,000			46,408,000	2,211,000	2,211,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Economic Development Road Bond Debt Services								
ABR35H00001	Provides funds for debt service on \$50,000,000 of Economic Development Road Revenue Bonds for BRAC.								
Road Fund							2,211,000	2,211,000	2,211,000
Project Total							2,211,000	2,211,000	2,211,000
2 EXPAN	Economic Development Road Bond Debt Service								
ABR35H00002	Provides funds for debt service on a \$500 million Economic Development Road Bond issue.								
Road Fund				22,099,000			44,197,000		
Project Total				22,099,000			44,197,000		
TOTAL ADDITIONAL				22,099,000			46,408,000	2,211,000	2,211,000

DEBT SERVICE

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions as follows:

"Resource Recovery Road Lease-Rental Program: Included in the above Road Fund appropriation is \$9,086,400 in fiscal year 2008-2009 for Resource Recovery Road lease-rental payments. The Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease-rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.090. However, if Road Fund resources are not sufficient to meet lease-rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020."

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$139,426,600 in fiscal year 2008-2009 and \$134,389,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$2,210,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments to the Kentucky Turnpike Authority relating to projects financed by \$50,000,000 in Economic Development Road Revenue Bonds."

"Excess Lease-Rental Payments: Any moneys not required to meet lease-rental payments or to meet the administrative costs of the

CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY 4/11/08 2:52 pm
BUDGET MODIFICATION REPORT

DEBT SERVICE

Kentucky Turnpike Authority shall be transferred to the State Construction Account."

"Debt Payment Acceleration Fund Account: Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 2006-2008 fiscal biennium."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House increases Road Fund support totaling \$22,099,000 in fiscal year 2008-2009 and \$44,197,000 in fiscal year 2009-2010 for debt service on a \$500,000,000 Economic Development Road Revenue Bonds issue.

The House adds Part I, Operating Budget, language provision as follows:

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$22,099,000 in fiscal year 2008-2009 and \$44,197,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments to the Kentucky Turnpike Authority relating to projects financed by \$500,000,000 in Economic Development Road Revenue Bonds."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides Road Fund support totaling \$148,513,000 in fiscal year 2008-2009 and \$136,599,000 for debt service.

The Senate deletes Part I, Operating Budget, language provision as follows:

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$22,099,000 in fiscal year 2008-2009 and \$44,197,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments to the Kentucky Turnpike Authority relating to projects financed by \$500,000,000 in Economic Development Road Revenue Bonds."

CONFERENCE REPORT

The Conference concurs with the Branch.

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CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund									442,000
Restricted Funds	426,919,800	426,919,800	426,919,800	79,076,700	79,076,700	310,076,700	80,181,800	80,181,800	80,181,800
Federal Funds	679,230,600	679,230,600	679,230,600	686,029,100	686,029,100	686,029,100	720,009,500	720,009,500	720,009,500
Road Fund	681,874,600	681,874,600	681,874,600	695,596,000	669,087,800	680,624,200	753,496,300	744,187,500	755,167,500
Highway Bond	395,755,300	395,755,300	395,755,300	550,000,000	50,000,000	50,000,000			
Regular Total Funds	2,183,780,300	2,183,780,300	2,183,780,300	2,010,701,800	1,484,193,600	1,726,730,000	1,553,687,600	1,544,378,800	1,555,800,800
Use of Continuing									
TOTAL FUNDS	2,183,780,300	2,183,780,300	2,183,780,300	2,010,701,800	1,484,193,600	1,726,730,000	1,553,687,600	1,544,378,800	1,555,800,800
II. EXPENDITURE CATEGORY									
Personnel Costs	354,382,300	354,382,300	354,382,300	382,634,300	373,751,500	382,634,300	391,035,400	381,376,200	391,035,400
Operating Expenses	173,576,400	173,576,400	173,576,400	179,537,800	179,537,800	179,537,800	201,621,600	201,621,600	201,621,600
Grants, Loans, Benefits	3,879,000	3,879,000	3,879,000	3,389,000	3,389,000	3,389,000	3,389,000	3,389,000	3,389,000
Debt Service	50,089,700	50,089,700	50,089,700	44,323,900	44,323,900	56,734,700	43,901,500	43,901,500	69,165,100
Capital Outlay	12,579,500	12,579,500	12,579,500	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
Construction	1,589,273,400	1,589,273,400	1,589,273,400	1,396,516,800	878,891,400	1,100,134,200	909,440,100	909,790,500	886,289,700
TOTAL EXPENDITURES	2,183,780,300	2,183,780,300	2,183,780,300	2,010,701,800	1,484,193,600	1,726,730,000	1,553,687,600	1,544,378,800	1,555,800,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	388,959,400	388,959,400	388,959,400	77,930,000	79,076,700	77,930,000	78,943,600	80,181,800	78,943,600
Federal Funds	675,013,800	675,013,800	675,013,800	672,559,600	672,559,600	672,559,600	673,012,900	673,012,900	673,012,900
Road Fund	681,776,500	681,776,500	681,776,500	648,924,900	632,412,800	636,213,100	663,219,500	663,219,500	663,219,500
Highway Bond	395,755,300	395,755,300	395,755,300						
Regular Total Funds	2,141,505,000	2,141,505,000	2,141,505,000	1,399,414,500	1,384,049,100	1,386,702,700	1,415,176,000	1,416,414,200	1,415,176,000
Use of Continuing									
TOTAL BASE LEVEL	2,141,505,000	2,141,505,000	2,141,505,000	1,399,414,500	1,384,049,100	1,386,702,700	1,415,176,000	1,416,414,200	1,415,176,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund									442,000
Restricted Funds	37,960,400	37,960,400	37,960,400	1,146,700		232,146,700	1,238,200		1,238,200
Federal Funds	4,216,800	4,216,800	4,216,800	13,469,500	13,469,500	13,469,500	46,996,600	46,996,600	46,996,600
Road Fund	98,100	98,100	98,100	46,671,100	36,675,000	44,411,100	90,276,800	80,968,000	91,948,000
Highway Bond				550,000,000	50,000,000	50,000,000			
TOTAL ADDITIONAL	42,275,300	42,275,300	42,275,300	611,287,300	100,144,500	340,027,300	138,511,600	127,964,600	140,624,800

V. ADDITIONAL BUDGET ITEMS

1 GB Department of Highways Personnel Vacancies

ABR35F00011 Provides funds to restore 209 full-time vacant positions in Engineering, Planning, Highway Operations, Maintenance, and Equipment Services.

L - Transportation Cabinet**Operating Budget****Highways**

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
Restricted Funds					1,146,700		1,146,700	1,238,200		1,238,200
Road Fund					7,736,100		7,736,100	8,421,000		8,421,000
Project Total					8,882,800		8,882,800	9,659,200		9,659,200
2	GB Increase State Construction									
ABR35F00039	Provides funds for state highway construction.									
Road Fund		98,100	98,100	98,100				1,905,400	8,277,600	10,836,600
Project Total		98,100	98,100	98,100				1,905,400	8,277,600	10,836,600
3	GB SAFETEA-LU Funds Increase									
ABR35F00036	Provides authority for KYTC to access available federal funds under the Safe, Accountable, Flexible, Efficient Transportation Equity Act.									
Federal Funds		4,216,800	4,216,800	4,216,800	13,469,500	13,469,500	13,469,500	46,959,500	46,959,500	46,959,500
Project Total		4,216,800	4,216,800	4,216,800	13,469,500	13,469,500	13,469,500	46,959,500	46,959,500	46,959,500
4	GB Federal Grant Increase SAFETEA_LU									
ABR35F00009	Provides authority for KYTC to access increase in federal funds available for metropolitan planning process.									
Federal Funds								37,100	37,100	37,100
Project Total								37,100	37,100	37,100
5	GB Interest Earnings Economic Development Bonds									
ABR35F00040	Provides authority for KYTC to utilize existing proceeds from the sale of Economic Development Road Bonds and the interest earned on those bonds to meet road system needs.									
Restricted Funds		21,387,900	21,387,900	21,387,900						
Project Total		21,387,900	21,387,900	21,387,900						
6	GB Interest Earnings on GARVEE Bonds									
ABR35F00041	Provides authority for KYTC to utilize existing proceeds from the sale of GARVEE Bonds and the interest earned on those bonds to meet road system needs.									
Restricted Funds		16,572,500	16,572,500	16,572,500						
Project Total		16,572,500	16,572,500	16,572,500						
7	NEW Economic Development Road Bonds for BRAC									
ABR35F00042	Provides Economic Development Road Revenue Bonds for pre-construction phases of roads in the vicinity of Fort Knox due to the federal Base Realignment and Closure program.									
Highway Bond					50,000,000	50,000,000	50,000,000			
Project Total					50,000,000	50,000,000	50,000,000			

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L - Transportation Cabinet

Operating Budget

Highways

			Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
			House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
8	EXPAN	State Resurfacing Account									
ABR35F00043 Provides funds to the State Resurfacing program to maintain and replace existing blacktop.											
Road Fund						10,000,000	10,000,000	10,000,000	20,000,000	20,000,000	20,000,000
Project Total						10,000,000	10,000,000	10,000,000	20,000,000	20,000,000	20,000,000
9	CONT	Highway Maintenance									
ABR35F00044 Provides funds for Maintenance program to maintain roads and bridges and replace and repair guardrails, traffic signals and control devices, signage, and striping.											
Road Fund						26,675,000	26,675,000	26,675,000	52,690,400	52,690,400	52,690,400
Project Total						26,675,000	26,675,000	26,675,000	52,690,400	52,690,400	52,690,400
10	EXPAN	Economic Development Road Bonds									
ABR35F00046 Provide appropriation for an Economic Development Road Bond Issue for state-funded road projects.											
Highway Bond						500,000,000					
Project Total						500,000,000					
11	EXPAN	Highway Construction Contingency Account									
ABR35F00047 Provide funds to increase Highway Construction Contingency Account due to inflationary increases.											
Road Fund						2,260,000			7,260,000		
Project Total						2,260,000			7,260,000		
12	NEW	Wetland Restoration Debt Service									
ABR35F00048 Provide debt service on \$10,000,000 bond issue for Wetland Restoration.											
General Fund											442,000
Project Total											442,000
13	NEW	Grant Anticipation Revenue Vehicle (GARVEE) Bonds									
ABR35F00049 Provide authority for GARVEE Bonds to be issued for the Louisville-Southern Indiana Ohio River Bridges Project.											
Restricted Funds											231,000,000
Project Total											231,000,000
TOTAL ADDITIONAL			42,275,300	42,275,300	42,275,300	611,287,300	100,144,500	340,027,300	138,511,600	127,964,600	140,624,800

TRANSFERS TO THE GENERAL FUND

Highways											
Investment Income-Road Fund							5,150,000			3,050,000	

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L - Transportation Cabinet

Operating Budget

Highways

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
TRANSFERS TO THE GENERAL FUND								
Other Special Revenue Funds					10,000,000			
The amount of the fund transfer shall be limited to the deposits to the other special revenue fund established in Part II, (10). In the event that the amount of the fund transfer made in fiscal year 2008-2009 is less than the full amount authorized, fund transfers may be made in fiscal year 2009-2010 up to a maximum biennial total of \$10,000,000.								
TOTAL				5,150,000	10,000,000	3,050,000		

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BUDGET MODIFICATION REPORT**

**HIGHWAYS
BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above Federal Funds appropriation is \$44,323,900 in fiscal year 2008-2009 and \$43,901,500 in fiscal year 2009-2010 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously appropriated by the General Assembly."

"State Supported Construction Program: Included in the above Road Fund appropriation is \$304,911,200 in fiscal year 2008-2009 and \$355,290,600 in fiscal year 2009-2010 for the State Supported Construction Program."

"State Resurfacing Program: Included in the State Supported Construction Program is \$87,000,000 in fiscal year 2008-2009 and \$97,000,000 in fiscal year 2009-2010 from the Road Fund for the State Resurfacing Program."

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$182,911,200 in fiscal year 2008-2009 and \$220,550,600 in fiscal year 2009-2010 from the Road Fund for state construction projects in the fiscal biennium 2008-2010 Biennial Highway Construction Program. Notwithstanding KRS 224.43-505, \$2,500,000 in fiscal year 2009-2010 is provided to support the Kentucky Pride Fund created in KRS 224.43-505."

"Highway Construction Contingency Account: Included in the State Supported Construction Program is \$35,000,000 in fiscal year 2008-2009 and \$37,740,000 in fiscal year 2009-2010 for the Highway Construction Contingency Account. Notwithstanding KRS 224.43-505, \$2,500,000 in fiscal year 2009-2010 is provided to support the Kentucky Pride Fund created in KRS 224.43-505."

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"2008-2010 Biennial Highway Construction Plan: Projects in the enacted 2006-2008 Biennial Highway Construction Plan are authorized to continue their current authorization into the 2008-2010 fiscal biennium."

"Kentucky Transportation Center: Notwithstanding KRS 177.320(4), included in the above Road Fund appropriation is \$290,000 in fiscal year 2008-2009 and \$290,000 in fiscal year 2009-2010 for the Kentucky Transportation Center."

"New Highway Equipment Purchases: Notwithstanding KRS 48.710(3), included in the above Restricted Funds appropriation is \$1,500,000 in fiscal year 2008-2009 and \$1,500,000 in fiscal year 2009-2010 from the sale of surplus equipment to purchase new highway equipment."

"State Match Provisions: The Transportation Cabinet is authorized to utilize state construction moneys or Toll Credits to match federal highway moneys."

"Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2008-2010 Biennial Highway Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Highway Preconstruction Program."

"Demonstration Projects: The Transportation Cabinet is authorized to select up to ten design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

"Road Fund Cash Management: The Secretary of the Transportation Cabinet is authorized to continue the Cash Management Plan to address the policy of the General Assembly to expeditiously initiate and complete projects in the fiscal biennium 2008-2010 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial Highway Construction Plan by employing management techniques that maximize the Cabinet's ability to contract for and effectively administer the project work. Under the approved Cash Management Plan, the Secretary is directed to continuously ensure that the unspent project and Road Fund balances available to the Transportation Cabinet are sufficient to meet expenditures consistent with appropriations provided."

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"Programmatic Adjustments: The Secretary of the Transportation Cabinet is authorized to adjust the specific sums comprising the Highways appropriation programs enumerated in subsections (3), (4), and (5) of this section for the purposes of enhancing public safety, maximizing available Federal Funds, supporting economic development, and accelerating state construction projects."

"Carry Forward of Appropriation Balances: Notwithstanding KRS 45.229, unexpended Road Fund appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2007-2008 and in fiscal year 2008-2009 shall not lapse but shall carry forward. Unexpended Federal Funds and Restricted Funds appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2007-2008 and in fiscal year 2008-2009, up to the amount of ending cash balances and grant balances shall not lapse but shall carry forward."

"Road Fund Support for Aviation: The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriations for the Department of Aviation, including but not limited to providing financial aid to governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21), as identified in Part I, L., 2. of this Act."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House increases Highway Bond Fund support totaling \$500,000,000 in fiscal year 2008-2009 for an Economic Development Road Revenue Bond issue.

The House reduces Road Fund support totaling \$505,400 in fiscal year 2008-2009 and \$22,603,400 in fiscal year 2009-2010 for transfer to the Debt Service appropriation unit for debt service on the \$500,000,000 Economic Development Road Revenue Bond issue.

The House reduces Road Fund support totaling \$1,800,000 in fiscal year 2008-2009 and \$400,000 in fiscal year 2009-2010 for transfer to the General Administration and Support appropriation unit to restore base funding level.

The House reduces Road Fund support totaling \$650,000 in each fiscal year for transfer to the Aviation appropriation to restore base funding level.

The House increases Federal Fund support totaling \$4,216,800 in fiscal year 2007-2008 for the use of SAFETEA-LU funds.

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The House increases Restricted Fund support totaling \$37,960,400 in fiscal year 2007-2008 for the use of proceeds and interest from the sale of GARVEE and Economic Development Road Bonds.

The House deletes Part I, Operating Budget, language provision as follows:

"State Supported Construction Program: Included in the above Road Fund appropriation is \$304,911,200 in fiscal year 2008-2009 and \$355,290,600 in fiscal year 2009-2010 for the State Supported Construction Program."

The House adds Part I, Operating Budget, language provision as follows:

"State Supported Construction Program: Included in the above Road Fund appropriation is \$304,405,800 in fiscal year 2008-2009 and \$332,687,200 in fiscal year 2009-2010 for the State Supported Construction Program."

The House deletes Part I, Operating Budget, language provision as follows:

"State Resurfacing Program: Included in the State Supported Construction Program is \$87,000,000 in fiscal year 2008-2009 and \$97,000,000 in fiscal year 2009-2010 from the Road Fund for the State Resurfacing Program."

The House adds Part I, Operating Budget, language provision as follows:

"State Resurfacing Program: Included in the State Supported Construction Program is \$97,000,000 in fiscal year 2008-2009 and \$107,000,000 in fiscal year 2009-2010 from the Road Fund for the State Resurfacing Program."

The House deletes Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$182,911,200 in fiscal year 2008-2009 and \$220,550,600 in fiscal year 2009-2010 from the Road Fund for state construction projects in the fiscal biennium 2008-2010 Biennial Highway Construction Program. Notwithstanding KRS 224.43-505, \$2,500,000 in fiscal year 2009-2010 is provided to support the Kentucky Pride Fund created in KRS 224.43-505."

The House adds Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$167,405,800 in fiscal year 2008-

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2009 and \$180,687,200 in fiscal year 2009-2010 from the Road Fund for state construction projects in the fiscal biennium 2008-2010 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2008-2009 and \$2,500,000 in fiscal year 2009-2010 to support the Kentucky Pride Fund created in KRS 224.43-505."

The House deletes Part I, Operating Budget, language provision as follows:

"Highway Construction Contingency Account: Included in the State Supported Construction Program is \$35,000,000 in fiscal year 2008-2009 and \$37,740,000 in fiscal year 2009-2010 for the Highway Construction Contingency Account. Notwithstanding KRS 224.43-505, \$2,500,000 in fiscal year 2009-2010 is provided to support the Kentucky Pride Fund created in KRS 224.43-505."

The House adds Part I, Operating Budget, language provision as follows:

"Highway Construction Contingency Account: Included in the State Supported Construction Program is \$40,000,000 in fiscal year 2008-2009 and \$45,000,000 in fiscal year 2009-2010 for the Highway Construction Contingency Account. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2008-2009 and \$2,500,000 in fiscal year 2009-2010 to support the Kentucky Pride Fund created in KRS 224.43-505."

The House deletes Part I, Operating Budget, language provision as follows:

"Demonstration Projects: The Transportation Cabinet is authorized to select up to ten design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The House adds Part I, Operating Budget, language provision as follows:

"Demonstration Projects: The Transportation Cabinet is authorized to select up to 15 design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The House adds Part I, Operating Budget, language provisions as follows:

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"Interlocal Agreement: Any local government may be permitted to enter into a cooperative agreement with the Transportation Cabinet to maintain traffic control devices on state-maintained roads within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of such maintenance. The agreement may permit local governments to make temporary repairs to state-maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of the temporary repairs."

"Kentucky Pride Program Report: The Environmental and Public Protection Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation a program and financial status report of all expenditures related to the Kentucky Pride Fund. The status report shall be provided to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation no later than October 1 of each year."

Miscellaneous Road Fund Projects: (a) The Transportation Cabinet may undertake the following miscellaneous road projects using the suggested Highways fund appropriations contained therein:

1. Fayette County Traffic Control Device: Install a traffic light at the intersection of Georgetown Road and Spurr Road for \$50,000 from Road Fund resources in fiscal year 2008-2009;
2. Fayette County Traffic Control Device: Install a left turn signal at the intersection of Russell Cave Road and Asbury Lane for \$6,000 from Road Fund resources in fiscal year 2008-2009;
3. Fayette County Traffic Control Device: Install a left turn signal at the intersection of Broadway and Third Street for \$6,000 from Road Fund resources in fiscal year 2008-2009;
4. Jefferson County Traffic Control Device: Install a left turn signal on both sides of the traffic control signal at the intersection of Eastern Parkway and Bardstown Road for \$12,000 from Road Fund resources in fiscal year 2008-2009;
5. Jefferson County Traffic Control Device: Install a right turn lane at Terry Road and Greenwood Road for \$75,000 from Road Fund resources in fiscal year 2008-2009;
6. Jefferson County Traffic Control Device: Install a left turn lane at St. Andrews Church Road and St. Anthony Road for \$150,000 from Road Fund resources in fiscal year 2008-2009;
7. Jefferson County Railroad Crossing: Reimburse \$80,000 to Louisville Metro Government, from Road Fund resources in fiscal year 2008-2009, for improvements to the Norfolk Southern Railroad crossing on Breckenridge Lane near the intersection of Breckenridge Lane and Six Mile Lane. The improvements shall include the rehabilitation and beautification of all sidewalks, drainage, landscaping, replacement or refurbishing of handrails, curbs, and retaining walls;
8. Kenton County Traffic Control Device: Install a traffic light at the intersection of Adela and Oak Street in Ludlow for \$22,000 from Road Fund resources in fiscal year 2008-2009;
9. Kenton County Sidewalks: Construct sidewalks on the northwest side of Adela Street from the Ludlow Independent School District to City Park in Ludlow for \$50,000 from Road Fund resources in fiscal year 2008-2009;

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10. Kenton County Sidewalk and Brick Repair: Provide for transportation enhancement and beautification by repairing or replacing the historic brick and sidewalk located in the 500 block of Linden Street from Adela Street to Helen Street for \$100,000 from Road Fund resources in fiscal year 2008-2009; and
11. Clark County Traffic Control Device: Install a four-way traffic signal at the intersection of KY 1958 and KY 1960.

(b) The Transportation Cabinet shall follow the original plans for Scott County Project Number 7-102.10 as identified in the 2008-2014 Highway Road Plan. The Georgetown Northwest Bypass shall extend directly northward from the existing US 60/US 460 bypass intersection before proceeding to the existing KY 32.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides Road Fund support totaling \$669,087,800 in fiscal year 2008-2009 and \$744,187,500 in fiscal year 2009-2010 for the Part I, Operating Budget.

The Senate deletes Part I, Operating Budget, language provisions as follows:

"State Supported Construction Program: Included in the above Road Fund appropriation is \$304,405,800 in fiscal year 2008-2009 and \$332,687,200 in fiscal year 2009-2010 for the State Supported Construction Program."

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$167,405,800 in fiscal year 2008-2009 and \$180,687,200 in fiscal year 2009-2010 from the Road Fund for state construction projects in the fiscal biennium 2008-2010 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2008-2009 and \$2,500,000 in fiscal year 2009-2010 to support the Kentucky Pride Fund created in KRS 224.43-505."

"Highway Construction Contingency Account: Included in the State Supported Construction Program is \$40,000,000 in fiscal year 2008-2009 and \$45,000,000 in fiscal year 2009-2010 for the Highway Construction Contingency Account. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2008-2009 and \$2,500,000 in fiscal year 2009-2010 to support the Kentucky Pride Fund created in KRS 224.43-505."

"Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2008-2010 Biennial Highway

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Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Highway Preconstruction Program."

"Demonstration Projects: The Transportation Cabinet is authorized to select up to 15 design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

"Programmatic Adjustments: The Secretary of the Transportation Cabinet is authorized to adjust the specific sums comprising the Highways appropriation programs enumerated in subsections (3), (4), and (5) of this section for the purposes of enhancing public safety, maximizing available Federal Funds, supporting economic development, and accelerating state construction projects."

"Road Fund Support for Aviation: The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriations for the Department of Aviation, including but not limited to providing financial aid to governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21), as identified in Part I, L., 2. of this Act."

"Interlocal Agreement: Any local government may be permitted to enter into a cooperative agreement with the Transportation Cabinet to maintain traffic control devices on state-maintained roads within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of such maintenance. The agreement may permit local governments to make temporary repairs to state-maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of the temporary repairs."

"Miscellaneous Road Fund Projects: (a) The Transportation Cabinet may undertake the following miscellaneous road projects using the suggested Highways fund appropriations contained therein:

1. Fayette County Traffic Control Device: Install a traffic light at the intersection of Georgetown Road and Spurr Road for \$50,000 from Road Fund resources in fiscal year 2008-2009;
2. Fayette County Traffic Control Device: Install a left turn signal at the intersection of Russell Cave Road and Asbury Lane for \$6,000 from Road Fund resources in fiscal year 2008-2009;
3. Fayette County Traffic Control Device: Install a left turn signal at the intersection of Broadway and Third Street for \$6,000 from Road Fund resources in fiscal year 2008-2009;
4. Jefferson County Traffic Control Device: Install a left turn signal on both sides of the traffic control signal at the intersection of Eastern Parkway and Bardstown Road for \$12,000 from Road Fund resources in fiscal year 2008-2009;

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5. Jefferson County Traffic Control Device: Install a right turn lane at Terry Road and Greenwood Road for \$75,000 from Road Fund resources in fiscal year 2008-2009;
6. Jefferson County Traffic Control Device: Install a left turn lane at St. Andrews Church Road and St. Anthony Road for \$150,000 from Road Fund resources in fiscal year 2008-2009;
7. Jefferson County Railroad Crossing: Reimburse \$80,000 to Louisville Metro Government, from Road Fund resources in fiscal year 2008-2009, for improvements to the Norfolk Southern Railroad crossing on Breckenridge Lane near the intersection of Breckenridge Lane and Six Mile Lane. The improvements shall include the rehabilitation and beautification of all sidewalks, drainage, landscaping, replacement or refurbishing of handrails, curbs, and retaining walls;
8. Kenton County Traffic Control Device: Install a traffic light at the intersection of Adela and Oak Street in Ludlow for \$22,000 from Road Fund resources in fiscal year 2008-2009;
9. Kenton County Sidewalks: Construct sidewalks on the northwest side of Adela Street from the Ludlow Independent School District to City Park in Ludlow for \$50,000 from Road Fund resources in fiscal year 2008-2009;
10. Kenton County Sidewalk and Brick Repair: Provide for transportation enhancement and beautification by repairing or replacing the historic brick and sidewalk located in the 500 block of Linden Street from Adela Street to Helen Street for \$100,000 from Road Fund resources in fiscal year 2008-2009; and
11. Clark County Traffic Control Device: Install a four-way traffic signal at the intersection of KY 1958 and KY 1960.

(b) The Transportation Cabinet shall follow the original plans for Scott County Project Number 7-102.10 as identified in the 2008-2014 Highway Road Plan. The Georgetown Northwest Bypass shall extend directly northward from the existing US 60/US 460 bypass intersection before proceeding to the existing KY 32.

The Senate adds Part I, Operating Budget, language provisions as follows:

"State Supported Construction Program: Included in the above Road Fund appropriation is \$285,633,700 in fiscal year 2008-2009 and \$331,799,400 in fiscal year 2009-2010 for the State Supported Construction Program."

"Biennial Highway Construction Program: Included in the State Supported Construction Program in subsection (2) of this section is \$168,633,700 in fiscal year 2008-2009 and \$202,799,400 in fiscal year 2009-2010 from the Road Fund for state construction projects in the fiscal biennium 2008-2010 Biennial Highway Construction Program. Notwithstanding KRS 224.43-505, no funds to support the Kentucky Pride Fund are included in the above Road Fund appropriation."

"Highway Construction Contingency Account: Included in the State Supported Construction Program in subsection (2) of this section is \$20,000,000 in fiscal year 2008-2009 and \$22,000,000 in fiscal year 2009-2010 for the Highway Construction Contingency Account."

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Included in the above Road Fund appropriation is \$5,000,000 in each fiscal year to support the Kentucky Pride Fund created in KRS 224.43-505. Included in the above Road Fund appropriation is \$4,000,000 in each fiscal year to be deposited to the Industrial Road Access Account within the Transportation Cabinet. The Industrial Road Access Account funds are designated to be used solely by the Secretary of the Economic Development Cabinet. These funds may be expended, encumbered, or committed only upon the direction of the Secretary of the Economic Development Cabinet to the Secretary of the Transportation Cabinet. The Secretary of the Economic Development Cabinet may request from the Secretary of the Transportation Cabinet additional funds to be deposited to the Industrial Road Access Account if the funds are necessary to meet specific economic development opportunities in a local community.

Notwithstanding KRS 45.229, any funds not expended from the Industrial Road Access Account prior to June 30, 2009, shall not lapse to the State Highway Construction Program, but shall remain in the Industrial Road Access Account and carry forward into fiscal year 2009-2010. Included in the above Road Fund appropriation is \$80,000 in fiscal year 2008-2009 for use by Mammoth Caves National Park to provide a 20 percent state-funded match for federal funds designated for planning and for design phases for dredging and reconstruction and improvements to the Green River Ferry loading ramps for year-round operation of the ferry."

"Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2008-2010 Biennial Highway Construction Plan are funded."

Miscellaneous Road Fund Projects: The Transportation Cabinet shall follow the original plans for Scott County Project Number 7-102.10 as identified in the 2008-2014 Highway Road Plan. The Georgetown Northwest Bypass shall extend directly northward from the existing US 60/US 460 bypass intersection before proceeding to the existing KY 32. With the safety and protection of school children being of the utmost concern to the citizens of the Commonwealth, the Transportation Cabinet shall require the Georgetown Northwest Bypass project to provide adequate ingress to and egress from Western Elementary School."

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference provides Road Fund support totaling \$680,624,200 in fiscal year 2008-2009 and \$755,167,500 in fiscal year 2009-2010 for the Part I, Operating Budget.

The Conference provides additional General Fund support totaling \$442,000 in fiscal year 2009-2010 for the Part I, Operating Budget, for Debt Service for Wetland Restoration.

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The Conference amends Part I, Operating Budget, by removing the language concerning Demonstration Projects, Programmatic Adjustments, and Road Fund Support for Aviation.

The Conference amends Part I, Operating Budget, language provisions as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$289,434,000 in fiscal year 2008-2009 and \$334,358,400 in fiscal year 2009-2010 for the State Supported Construction Program."

"State Resurfacing Program: Included in the State Supported Construction Program in subsection (2) of this section is \$97,000,000 in fiscal year 2008-2009 and \$107,000,000 in fiscal year 2009-2010 from the Road Fund for the State Resurfacing Program."

"Biennial Highway Construction Program: Included in the State Supported Construction Program in subsection (2) of this section is \$161,434,000 in fiscal year 2008-2009 and \$196,358,400 in fiscal year 2009-2010 from the Road Fund for state construction projects in the fiscal biennium 2008-2010 Biennial Highway Construction Program. Notwithstanding KRS 224.43-505, no funds to support the Kentucky Pride Fund are included in the above Road Fund appropriation."

"Highway Construction Contingency Account: Included in the State Supported Construction Program in subsection (2) of this section is \$31,000,000 in fiscal year 2008-2009 and \$31,000,000 in fiscal year 2009-2010 for the Highway Construction Contingency Account. Included in the above Road Fund appropriation is \$5,000,000 in each fiscal year to support the Kentucky Pride Fund created in KRS 224.43-505. The Transportation Cabinet may deposit \$4,000,000 from the Highway Construction Contingency Account in each fiscal year to the Industrial Road Access Account within the Transportation Cabinet. The Industrial Road Access Account funds are designated to be used solely by the Secretary of the Economic Development Cabinet. These funds may be expended, encumbered, or committed only upon the direction of the Secretary of the Economic Development Cabinet to the Secretary of the Transportation Cabinet. The Secretary of the Economic Development Cabinet may request from the Secretary of the Transportation Cabinet additional funds to be deposited to the Industrial Road Access Account if the funds are necessary to meet specific economic development opportunities in a local community. Notwithstanding KRS 45.229, any funds not expended from the Industrial Road Access Account prior to June 30, 2009, shall not lapse to the State Highway Construction Program, but shall remain in the Industrial Road Access Account and carry forward into fiscal year 2009-2010. Included in the above Road Fund appropriation is \$98,000 in fiscal year 2008-2009 for use by Mammoth Caves National Park to provide a 20 percent state-funded match for federal funds designated for planning and for design phases for dredging and reconstruction and improvements to the Green River Ferry loading ramps for year-round operation of the ferry."

"Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the

**CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY
BUDGET MODIFICATION REPORT**

HIGHWAYS

project identified; (b) All projects identified for federal funding in the fiscal biennium 2008-2010 Biennial Highway Construction Plan shall be given first priority; and (c) All other funds shall be used to ensure that projects in the fiscal biennium 2008-2010 Biennial Highway Construction Plan are funded."

"Interlocal Agreement: Any local government may be permitted to enter into an interlocal cooperative agreement with the Transportation Cabinet to maintain traffic control devices on state-maintained roads within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the contracted cost of such maintenance. The agreement may permit local governments to make temporary repairs to state-maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the contracted cost of the temporary repairs. The Transportation Cabinet shall report all interlocal cooperative agreements enter into under this subsection to the Interim Joint Committee on Transportation within seven days of the agreement being finalized. The report shall include the local government requesting the assistance from the Cabinet, the scope and estimated cost of the service or repair, and the reasons for the necessity of the agreement."

The Conference adds Part I, Operating Budget, language provisions as follows:

"Kentucky Pride Program Report: The Environmental and Public Protection Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation a program and financial status report of all expenditures related to the Kentucky Pride Fund. The status report shall be provided to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation no later than October 1 of each year."

"Miscellaneous Road Fund Projects: (a) The Transportation Cabinet may undertake the following miscellaneous road projects using the Highway Construction Contingency appropriation contained therein:

1. Fayette County Traffic Control Device: Install a traffic light at the intersection of Georgetown Road and Spurr Road for \$50,000 from Road Fund resources in fiscal year 2008-2009;
2. Fayette County Traffic Control Device: Install a left turn signal at the intersection of Russell Cave Road and Asbury Lane for \$6,000 from Road Fund resources in fiscal year 2008-2009;
3. Fayette County Traffic Control Device: Install a left turn signal at the intersection of Broadway and Third Street for \$6,000 from Road Fund resources in fiscal year 2008-2009;
4. Jefferson County Traffic Control Device: Install a left turn signal on both sides of the traffic control signal at the intersection of Eastern Parkway and Bardstown Road for \$12,000 from Road Fund resources in fiscal year 2008-2009;
5. Jefferson County Traffic Control Device: Install a right turn lane at Terry Road and Greenwood Road for \$75,000 from Road Fund resources in fiscal year 2008-2009;
6. Jefferson County Traffic Control Device: Install a left turn lane at St. Andrews Church Road and St. Anthony Road for \$150,000 from

**CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY
BUDGET MODIFICATION REPORT**

HIGHWAYS

Road Fund resources in fiscal year 2008-2009;

7. Jefferson County Railroad Crossing: Reimburse \$80,000 to Louisville Metro Government, from Road Fund resources in fiscal year 2008-2009, for improvements to the Norfolk Southern Railroad crossing on Breckenridge Lane near the intersection of Breckenridge Lane and Six Mile Lane. The improvements shall include the rehabilitation and beautification of all sidewalks, drainage, landscaping, replacement or refurbishing of handrails, curbs, and retaining walls;
8. Kenton County Traffic Control Device: Install a traffic light at the intersection of Adela and Oak Street in Ludlow for \$22,000 from Road Fund resources in fiscal year 2008-2009;
9. Kenton County Sidewalks: Construct sidewalks on the northwest side of Adela Street from the Ludlow Independent School District to City Park in Ludlow for \$50,000 from Road Fund resources in fiscal year 2008-2009;
10. Kenton County Sidewalk and Brick Repair: Provide for transportation enhancement and beautification by repairing or replacing the historic brick and sidewalk located in the 500 block of Linden Street from Adela Street to Helen Street for \$100,000 from Road Fund resources in fiscal year 2008-2009; and
11. Clark County Traffic Control Device: Install a four-way traffic signal at the intersection of KY 1958 and KY 1960.

(b) The Transportation Cabinet shall follow the original plans for Scott County Project Number 7-102.10 as identified in the 2008-2014 Highway Road Plan. The Georgetown Northwest Bypass shall extend directly northward from the existing US 60/US 460 bypass intersection before proceeding to the existing KY 32. With the safety and protection of school children being of the utmost concern to the citizens of the Commonwealth, the Transportation Cabinet shall require the Georgetown Northwest Bypass project to provide adequate ingress to and egress from Western Elementary School."

"Wetland Restoration Debt Service: Included in the above appropriation is \$442,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Innovative Financing: The Secretary of the Transportation Cabinet, or his or her designee, shall be authorized to update the initial financing plan utilizing toll revenues as an available funding source for the Louisville-Southern Indiana Ohio River Bridges Project."

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 410, Section 3, provides the following:

On page 117, line 6, delete "79,076,700" and insert "310,076,700"; and

Adjust subsequent subtotals and totals accordingly; and

**CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY
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On page 122, after line 24, insert the following:

"(18) Grant Anticipation Revenue Vehicle (GARVEE) Bonds: Included in the above Restricted Funds appropriation is \$231,000,000 in fiscal year 2008-2009 for GARVEE Bond Funds to be issued for the Louisville-Southern Indiana Ohio River Bridges Project. Federal funds made available as a result of the issuance of bonds authorized herein, shall not be expended unless specifically appropriated and identified by the General Assembly.

(19) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service: Included in the above Federal Funds appropriation is \$12,410,800 in fiscal year 2008-2009 and \$24,821,600 in fiscal year 2009-2010 for GARVEE Bonds debt service payments relating to projects financed by \$231,000,000 in GARVEE Bonds."

L - Transportation Cabinet**Operating Budget****Public Transportation**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,253,400	2,253,400	2,253,400	5,178,200	4,528,200	5,178,200	5,178,200	4,528,200	5,178,200
Restricted Funds	555,700	555,700	555,700	505,600	505,600	505,600	522,500	522,500	522,500
Federal Funds	40,267,200	40,267,200	40,267,200	30,907,800	30,907,800	30,907,800	30,944,100	30,944,100	30,944,100
Road Fund					650,000			650,000	
Regular Total Funds	43,076,300	43,076,300	43,076,300	36,591,600	36,591,600	36,591,600	36,644,800	36,644,800	36,644,800
Use of Continuing	3,356,200	3,356,200	3,356,200						
TOTAL FUNDS	46,432,500	46,432,500	46,432,500	36,591,600	36,591,600	36,591,600	36,644,800	36,644,800	36,644,800
II. EXPENDITURE CATEGORY									
Personnel Costs	1,412,600	1,412,600	1,412,600	1,255,500	1,255,500	1,255,500	1,281,900	1,281,900	1,281,900
Operating Expenses	253,900	253,900	253,900	125,300	125,300	125,300	125,300	125,300	125,300
Grants, Loans, Benefits	44,766,000	44,766,000	44,766,000	35,210,800	35,210,800	35,210,800	35,237,600	35,237,600	35,237,600
TOTAL EXPENDITURES	46,432,500	46,432,500	46,432,500	36,591,600	36,591,600	36,591,600	36,644,800	36,644,800	36,644,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,253,400	2,253,400	2,253,400	5,178,200	4,528,200	5,178,200	5,178,200	4,528,200	5,178,200
Restricted Funds	555,700	555,700	555,700	505,600	505,600	505,600	522,500	522,500	522,500
Federal Funds	40,233,600	40,233,600	40,233,600	30,775,500	30,775,500	30,775,500	30,801,500	30,801,500	30,801,500
Road Fund					650,000			650,000	
Regular Total Funds	43,042,700	43,042,700	43,042,700	36,459,300	36,459,300	36,459,300	36,502,200	36,502,200	36,502,200
Use of Continuing	3,356,200	3,356,200	3,356,200						
TOTAL BASE LEVEL	46,398,900	46,398,900	46,398,900	36,459,300	36,459,300	36,459,300	36,502,200	36,502,200	36,502,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds	33,600	33,600	33,600	132,300	132,300	132,300	142,600	142,600	142,600
TOTAL ADDITIONAL	33,600	33,600	33,600	132,300	132,300	132,300	142,600	142,600	142,600
V. ADDITIONAL BUDGET ITEMS									
1 GB	Public Transportation Personnel Vacancies								
ABR35E00002	Provides funds to restore 2 vacant full-time positions in the Office of Transportation Delivery and 1 full-time in the Office of Human Services Transportation Delivery.								
Federal Funds				132,300	132,300	132,300	142,600	142,600	142,600
Project Total				132,300	132,300	132,300	142,600	142,600	142,600

CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Public Transportation

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
2 CONT Current Year Federal Funds									
ABR35E00003 Provides authority for KYTC to access available federal funding for public transportation services.									
Federal Funds	33,600	33,600	33,600						
Project Total	33,600	33,600	33,600						
TOTAL ADDITIONAL	33,600	33,600	33,600	132,300	132,300	132,300	142,600	142,600	142,600

PUBLIC TRANSPORTATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Toll Credits: The Transportation Cabinet is authorized to maximize to the extent necessary the use of Toll Credits to match Federal Funds for transit systems capital grants."

"Nonpublic School Transportation: Included in the above General Fund appropriation is \$2,950,000 in fiscal year 2008-2009 and \$2,950,000 in fiscal year 2009-2010 for nonpublic school transportation."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House increases General Fund support totaling \$650,000 in each fiscal year to restore base funding level.

The House provides Federal Fund support to restore three vacant full-time positions.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate replaces General Fund support totaling \$650,000 with Road Fund Investment Income.

PUBLIC TRANSPORTATION

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference provides General Fund support totaling \$650,000 in each fiscal year to restore base funding level.

The Conference provides Federal Fund support to restore three vacant full-time positions.

CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Revenue Sharing

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	42,719,100	42,719,100	42,719,100						
Road Fund	265,848,100	265,848,100	265,848,100	266,207,000	287,698,900	287,698,900	296,587,000	318,070,100	318,070,100
Regular Total Funds	308,567,200	308,567,200	308,567,200	266,207,000	287,698,900	287,698,900	296,587,000	318,070,100	318,070,100
Use of Continuing									
TOTAL FUNDS	308,567,200	308,567,200	308,567,200	266,207,000	287,698,900	287,698,900	296,587,000	318,070,100	318,070,100

II. EXPENDITURE CATEGORY

Personnel Costs	4,139,700	4,139,700	4,139,700	3,396,400	3,294,700	3,294,700	3,422,000	3,311,500	3,311,500
Operating Expenses	3,950,400	3,950,400	3,950,400	3,896,000	3,896,000	3,896,000	3,891,200	3,891,200	3,891,200
Grants, Loans, Benefits	185,572,100	185,572,100	185,572,100	143,034,300	154,682,300	154,682,300	159,427,200	171,075,200	171,075,200
Construction	114,905,000	114,905,000	114,905,000	115,880,300	125,825,900	125,825,900	129,846,600	139,792,200	139,792,200
TOTAL EXPENDITURES	308,567,200	308,567,200	308,567,200	266,207,000	287,698,900	287,698,900	296,587,000	318,070,100	318,070,100

III. BASE LEVEL BUDGET BY FUND SOURCE

Restricted Funds	42,719,100	42,719,100	42,719,100						
Road Fund	265,848,100	265,848,100	265,848,100	266,105,300	287,698,900	287,698,900	296,476,500	318,070,100	318,070,100
Regular Total Funds	308,567,200	308,567,200	308,567,200	266,105,300	287,698,900	287,698,900	296,476,500	318,070,100	318,070,100
Use of Continuing									
TOTAL BASE LEVEL	308,567,200	308,567,200	308,567,200	266,105,300	287,698,900	287,698,900	296,476,500	318,070,100	318,070,100

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

Road Fund				101,700			110,500		
TOTAL ADDITIONAL				101,700			110,500		

V. ADDITIONAL BUDGET ITEMS

1 GB Revenue Sharing Personnel Vacancies

ABR35C00001 Provides funds to restore 1 full-time position in the Office of Special Programs.

Road Fund				101,700			110,500		
Project Total				101,700			110,500		

TOTAL ADDITIONAL				101,700			110,500		
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REVENUE SHARING

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"County Road Aid Program: Included in the above Road Fund appropriation is \$108,618,300 in fiscal year 2008-2009 and \$120,156,400 in fiscal year 2009-2010 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2008-2009 and \$38,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Rural Secondary Program: Included in the above Road Fund appropriation is \$131,766,500 in fiscal year 2008-2009 and \$145,763,600 in fiscal year 2009-2010 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2008-2009 and \$46,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Municipal Road Aid Program: Included in the above Road Fund appropriation is \$45,702,800 in fiscal year 2008-2009 and \$50,557,600 in fiscal year 2009-2010 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2008-2009 and \$16,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

REVENUE SHARING

"Energy Recovery Road Fund: Included in the above Road Fund appropriation is \$913,000 in fiscal year 2008-2009 and \$903,000 in fiscal year 2009-2010 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.9772, 177.978, 177.979, and 177.981."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House reduces Road Fund Support totaling \$21,593,600 in each fiscal year for transfer to the Debt Service appropriation unit for debt service on a \$500,000,000 Economic Development Road Revenue Bond issue.

The House deletes Part I, Operating Budget, language provision as follows:

"County Road Aid Program: Included in the above Road Fund appropriation is \$108,618,300 in fiscal year 2008-2009 and \$120,156,400 in fiscal year 2009-2010 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2008-2009 and \$38,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The House adds Part I, Operating Budget, language provision as follows:

"County Road Aid Program: Included in the above Road Fund appropriation is \$100,419,900 in fiscal year 2008-2009 and \$111,958,000 in fiscal year 2009-2010 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2008-2009 and \$38,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The House deletes Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$131,766,500 in fiscal year 2008-2009 and \$145,763,600 in fiscal year 2009-2010 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2008-2009 and \$46,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky

REVENUE SHARING

Transportation Center."

The House adds Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$121,820,900 in fiscal year 2008-2009 and \$135,818,000 in fiscal year 2009-2010 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2008-2009 and \$46,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The House deletes Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: Included in the above Road Fund appropriation is \$45,702,800 in fiscal year 2008-2009 and \$50,557,600 in fiscal year 2009-2010 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2008-2009 and \$16,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The House adds Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: Included in the above Road Fund appropriation is \$42,253,200 in fiscal year 2008-2009 and \$47,108,000 in fiscal year 2009-2010 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2008-2009 and \$16,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides Road Fund Support totaling \$287,698,900 in fiscal year 2008-2009 and \$318,070,100 in fiscal year 2009-2010.

The Senate deletes Part I, Operating Budget, language provisions as follows:

"County Road Aid Program: Included in the above Road Fund appropriation is \$100,419,900 in fiscal year 2008-2009 and

REVENUE SHARING

\$111,958,000 in fiscal year 2009-2010 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2008-2009 and \$38,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Rural Secondary Program: Included in the above Road Fund appropriation is \$121,820,900 in fiscal year 2008-2009 and \$135,818,000 in fiscal year 2009-2010 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2008-2009 and \$46,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Municipal Road Aid Program: Included in the above Road Fund appropriation is \$42,253,200 in fiscal year 2008-2009 and \$47,108,000 in fiscal year 2009-2010 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2008-2009 and \$16,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The Senate adds Part I, Operating Budget, language provisions as follows:

"County Road Aid Program: Included in the above Road Fund appropriation is \$108,618,300 in fiscal year 2008-2009 and \$120,156,400 in fiscal year 2009-2010 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2008-2009 and \$38,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Rural Secondary Program: Included in the above Road Fund appropriation is \$131,766,500 in fiscal year 2008-2009 and \$145,763,600 in fiscal year 2009-2010 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. These funds shall be set aside for the construction, reconstruction, and maintenance of state-maintained secondary and rural roads and for no other purpose, and shall be expended for these purposes by the Transportation Cabinet according to the terms and conditions prescribed in KRS 177.320 to 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2008-2009 and \$46,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

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REVENUE SHARING

"Municipal Road Aid Program: Included in the above Road Fund appropriation is \$45,702,800 in fiscal year 2008-2009 and \$50,557,600 in fiscal year 2009-2010 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2008-2009 and \$16,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

CONFERENCE REPORT

The Conference concurs with the Branch with the following change:

The Conference provides Road Fund Support totaling \$287,698,900 in fiscal year 2008-2009 and \$318,070,100 in fiscal year 2009-2010.

L - Transportation Cabinet**Operating Budget****Vehicle Regulation**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund							3,357,000	3,357,000	
Restricted Funds	10,802,800	10,802,800	10,802,800	17,556,300	9,756,300	9,756,300	12,503,500	8,503,500	8,503,500
Federal Funds	5,214,500	5,214,500	5,214,500	640,600	640,600	640,600	640,600	640,600	640,600
Road Fund	18,234,700	18,234,700	18,234,700	19,262,800	26,417,600	26,417,600	20,622,700	23,920,100	27,277,100
Regular Total Funds	34,252,000	34,252,000	34,252,000	37,459,700	36,814,500	36,814,500	37,123,800	36,421,200	36,421,200
Use of Continuing									
TOTAL FUNDS	34,252,000	34,252,000	34,252,000	37,459,700	36,814,500	36,814,500	37,123,800	36,421,200	36,421,200

II. EXPENDITURE CATEGORY

Personnel Costs	18,672,700	18,672,700	18,672,700	14,577,400	13,932,200	13,932,200	14,996,100	14,293,500	14,293,500
Operating Expenses	11,551,300	11,551,300	11,551,300	18,799,200	18,799,200	18,799,200	14,770,700	14,770,700	14,770,700
Grants, Loans, Benefits	4,000,000	4,000,000	4,000,000	4,083,100	4,083,100	4,083,100	4,000,000	4,000,000	4,000,000
Debt Service							3,357,000	3,357,000	3,357,000
Capital Outlay	28,000	28,000	28,000						
TOTAL EXPENDITURES	34,252,000	34,252,000	34,252,000	37,459,700	36,814,500	36,814,500	37,123,800	36,421,200	36,421,200

III. BASE LEVEL BUDGET BY FUND SOURCE

Restricted Funds	10,802,800	10,802,800	10,802,800	7,923,200	7,923,200	7,923,200	7,860,500	7,860,500	7,860,500
Federal Funds	5,214,500	5,214,500	5,214,500	191,100	191,100	191,100	191,100	191,100	191,100
Road Fund	18,234,700	18,234,700	18,234,700	16,918,100	16,918,100	16,918,100	18,220,600	18,220,600	18,220,600
Regular Total Funds	34,252,000	34,252,000	34,252,000	25,032,400	25,032,400	25,032,400	26,272,200	26,272,200	26,272,200
Use of Continuing									
TOTAL BASE LEVEL	34,252,000	34,252,000	34,252,000	25,032,400	25,032,400	25,032,400	26,272,200	26,272,200	26,272,200

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund							3,357,000	3,357,000	
Restricted Funds				9,633,100	1,833,100	1,833,100	4,643,000	643,000	643,000
Federal Funds				449,500	449,500	449,500	449,500	449,500	449,500
Road Fund				2,344,700	9,499,500	9,499,500	2,402,100	5,699,500	9,056,500
TOTAL ADDITIONAL				12,427,300	11,782,100	11,782,100	10,851,600	10,149,000	10,149,000

V. ADDITIONAL BUDGET ITEMS**1 GB Personnel Vacancies**

ABR35G00001 Provides funds to restore 16 full-time vacant positions in Drivers Licensing, Motor Carriers, and Motor Vehicle Licensing.

Road Fund	645,200	702,600
Project Total	645,200	702,600

L - Transportation Cabinet**Operating Budget****Vehicle Regulation**

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
2	EXPAN AVIS Replacement									
ABR35G00013	Provides funds for debt service and a small amount of start-up operating for the Automated Vehicle Information System.									
General Fund								3,357,000	3,357,000	
Restricted Funds					1,833,100	1,833,100	1,833,100	643,000	643,000	643,000
Road Fund										3,357,000
Project Total					1,833,100	1,833,100	1,833,100	4,000,000	4,000,000	4,000,000
3	EXPAN County Clerk IT Improvement									
ABR35G00006	Provides funds to upgrade computer equipment in the County Clerks Offices which will be required to implement the new AVIS system.									
Restricted Funds					7,800,000			4,000,000		
Road Fund						7,800,000	7,800,000		4,000,000	4,000,000
Project Total					7,800,000	7,800,000	7,800,000	4,000,000	4,000,000	4,000,000
4	EXPAN CVISN Grant									
ABR35G00002	Provides authority for new federal grant and required road fund match to be used for the Oversize Overweight Automated Routing and Bridge Analysis System, the Electronic License Plate and Screening System, the Next Generation Virtual Weigh Station, et al.									
Federal Funds					449,500	449,500	449,500	449,500	449,500	449,500
Road Fund					449,500	449,500	449,500	449,500	449,500	449,500
Project Total					899,000	899,000	899,000	899,000	899,000	899,000
5	GB Digitized License Contract									
ABR35G00008	Provides funds to support increased costs for the Digitized License contract to meet the requirements of the Real ID Act.									
Road Fund					1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Project Total					1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
TOTAL ADDITIONAL					12,427,300	11,782,100	11,782,100	10,851,600	10,149,000	10,149,000

TRANSFERS TO THE GENERAL FUND**Vehicle Regulation**

Agency Revenue Fund	5,500,000	5,500,000	5,500,000	2,500,000	2,500,000	2,500,000				
(KRS 186.040(6)(a))										
Agency Revenue Fund							3,357,000	3,357,000	3,357,000	

CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Vehicle Regulation

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
TRANSFERS TO THE GENERAL FUND									
Agency Revenue Fund (KRS 186.240(3))	900,000	900,000	900,000						
Agency Revenue Fund (KRS 186.040(6)(b))				2,000,000	9,800,000	9,800,000		4,000,000	4,000,000
TOTAL	6,400,000	6,400,000	6,400,000	4,500,000	12,300,000	12,300,000	3,357,000	7,357,000	7,357,000

VEHICLE REGULATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Operations and Support Services, Restricted Funds of \$6,400,000 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$3,357,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$3,357,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

HOUSE REPORT

The House concurs with the Branch with the following change:

The House amends Part V, Funds Transfer, to include a Restricted Fund transfer of \$2,000,000 in fiscal year 2008-2009 to the General Fund for the Kentucky Pride Program.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends Part V, Funds Transfer, to include an additional Restricted Fund transfer of \$7,800,000 in fiscal year 2008-2009

VEHICLE REGULATION

and \$4,000,000 in fiscal year 2009-2010 to the General Fund and replaces with Road Fund support.

The Senate funds base level personnel.

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference provides funds for base level personnel.

The Conference replaces General Fund Support of \$3,357,000 in fiscal year 2009-2010 for new debt service with Road Fund Support and modifies the related Part I, Operating Budget, language provision to reflect Road Fund Support.

The Conference amends Part V, Funds Transfer, to include a Restricted Fund transfer of \$2,000,000 in fiscal year 2008-2009 to the General Fund for the Kentucky Pride Program.

The Conference amends Part V, Funds Transfer, to include an additional Restricted Fund transfer of \$7,800,000 in fiscal year 2008-2009 and \$4,000,000 in fiscal year 2009-2010 to the General Fund and replaces with Road Fund support.